

THE PRESIDENT'S INTELLIGENCE CHECKLIST

9 JAN. 1962
~~TOP SECRET~~

LATE ITEM

A spokesman for Boun Oum has declared that the government has been subjected to "intolerable" US pressure to join a coalition regime and that it would rather tighten its belt than yield. This does not provide a very hopeful backdrop for today's cabinet session.

1. Laos

A. A cabinet meeting is slated for today in Vientiane to pass on whether Boun Oum should go to Geneva. Boun Oum and Phoumi presumably went over the same ground yesterday in their meeting with the King at the Royal capital of Luang Prabang. Souvanna, as expected, has accepted the invitation to Geneva. He has intimated that he is convinced that we are putting pressure on Vientiane.

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2. East German economic planning badly disjointed

The East German government is running far behind schedule in drawing up its economic plan for 1962 and it may be some time yet before it is ready. An economic retrenchment during the coming year has been clearly foreshadowed, but the shifts in Soviet Tactics on the German problem has thrown the planners out of stride. There are indications that differences of opinion have arisen because of uncertainty over such things as the future of interzonal trade and the extent of aid which Moscow can be counted on to give. Ulbricht recently conceded in a published article a considerable East German dependence on West German goods, implying that it could be overcome only by increased Soviet assistance.

3. Nasir calls for
propaganda assault
against British

He has set out to saddle the British
with the blame for current Middle East
tensions.

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Recent
British actions concerning Kuwait seem
to have provoked Nasir's decision, but
we think he is also looking for a
diversion for home consumption and for
a brush with which to tar his Arab
antagonists.

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4. Congo developments

A. The Leopoldville parliament yester-
day issued an ultimatum, introduced
by a leader of Gizenga's own party,
telling him to appear there within
48 hours or be read out of the central
government. Compliance by Gizenga, who
has not shown himself publicly in
Stanleyville since December 10, seems
unlikely.

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5. Sizeable Soviet aid offer to Brazil may be upcoming

Moscow recently offered the head of one of the largest business operations in northeast Brazil a loan of about \$4,000,000 "with no strings attached." Though unimportant in itself, we suspect this could be the preamble to a much bigger effort.

NOTES

- A. Although we do not see in Molotov's reassignment to Vienna any direct challenge to Khrushchev's authority, we do think it unlikely that he would have called the tune this way entirely on his own. This outcome seems to mean that the hardbitten Old Bolshevik, and the attitudes he stands for, can still count on considerable emotional, if not necessarily political, backing in party ranks.
- B. An Egyptian publication, in what could be a trial-balloon, has reported that Cairo may invite Mrs. Kennedy to visit when returning from India-Pakistan.
- C. The new Dominican government is having growing pains with Balaguer and his Council of State presently at odds over such things as the extent of military influence and the date of Balaguer's withdrawal.
- D. [redacted] 50X1
[redacted] New Delhi is planning to probe Chinese Communist 50X1
military positions in the disputed Ladakh territory [redacted] 50X1
[redacted] 50X1
[redacted] represents a significant change in the Indian mood.
- E. President Paz has reshuffled his cabinet in an attempt to patch up a split between key members of his governing party. The Communists, hoping to exploit the instability, are trying to organize a general strike against the government for later this week.

DOCUMENTS OF INTEREST

I.

II.

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THE DIRECTOR OF CENTRAL INTELLIGENCE